

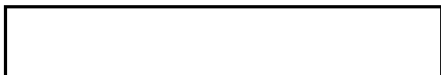
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14 May 1952



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CURRENT INTELLIGENCE DIGEST

Office of Current Intelligence

CENTRAL INTELLIGENCE AGENCY

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GENERAL

1. French object to American disarmament proposal: The French Foreign Office fears that the disarmament plan which the United States recently submitted to the French, British and Canadian UN delegations contains "grave pitfalls." The French object specifically to a reduction in armed forces based on a percentage of each country's population because they think such a system would permit the Soviet bloc to overwhelm the West. [REDACTED]

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Comment: The British thought that the American proposal was heavily weighted in favor of NATO and the British Commonwealth against the USSR, and have already proposed a modification which distinguishes between metropolitan and overseas areas. They expect the Russians to reject the proposal in any case, and the modification suggested removes an occasion for a Soviet propaganda blast.

The French presumably are not considering any of South Asia as pro-Western.

EASTERN EUROPE

2. Hungarian party leader reportedly suffering heart condition: The US Legation at Budapest speculates on press silence regarding Jozsef Revai, Minister of People's Culture and Deputy Secretary General of the Hungarian Workers' Party. Revai was last mentioned by the press on 4 March. Reliable information stated that he has not been purged, but is convalescing from a bad heart condition. [REDACTED]

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Comment: This information confirms previous reports that Revai suffered from a heart condition that necessitated sick leaves in 1949 and 1950. His non-appearance at the Liberation Day ceremonies on 4 April has caused comment.

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Revai is a top ranking member of the Hungarian Communist hierarchy and the leading Party theoretician. Allegedly he belongs to the Gero wing of the party in opposition to Party leader Rakosi. The disappearance of the fifty-four-year-old Revai might strengthen the position of Rakosi, whose own purging has been a subject of speculation.

3. Renewed collectivization campaign continues in Rumania: The American Legation in Bucharest reports that the Rumanians have announced the formation of 25 new collective farms with nearly 1,000 families between 1 and 7 May. [REDACTED]

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Comment: Fewer than 100 collective farms were established in Rumania during all of 1951, and only six of those were formed after September. During the first quarter of 1952, 130 new collective farms were set up.

The regime weakened the peasants economically by confiscating their savings in the January currency reform and now appears to be stepping up their incorporation into collective farms.

4. Deportations from Rumanian cities continue: The American Legation in Bucharest reports that evacuations of "some hundreds" of persons from the Transylvanian cities of Stalin (Brasov) and Alba Iulia in central Rumania have been confirmed. The destination of the evacuees is said to be upper Moldavia in the northeast part of the country.

Movement from Bucharest is reportedly still comparatively slow, but a step-up in deportations is rumored to be scheduled for 15 May. [REDACTED]

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Comment: This is the first confirmation of evacuations from cities other than Bucharest, although previous reports have stated that all large Rumanian industrial centers are to be cleared of political undesirables and unproductive persons in order to provide housing for the expanding industrial labor force.

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FAR EAST

5. Yoshida gives views on current Japanese problems: Prime Minister Yoshida believes that it is "too early" to approach the Japanese people with proposals for a constitutional amendment to permit rearmament, according to American Ambassador Murphy. Yoshida said that his people must be indoctrinated over a period of time, and that the creation of a government information agency to deal with such matters is being studied.

In the same conversation, Yoshida discounted the danger of Communist penetration of trade unions, despite the ascension of extreme left-wing elements to power in the labor movement. He added that criticism of United States policy by the opposition parties should be construed as a tactic to embarrass the Yoshida Government.

The government is "preoccupied" with Communist and left-wing influences among Japanese university students, according to Yoshida, much of which comes from the faculty members having a "wrong attitude." [REDACTED]

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6. Composition of Chinese Communist Secretariat reported: The composition of the Secretariat of the Central Committee of the Chinese Communist Party is now believed to be:

Mao Tse-tung, chairman; Liu Shao-chi, secretary; Chou En-lai, deputy secretary; Chu Teh, Peng Teh-huai and Chen Yun, members; and Kao Kang and Peng Chen, alternate members. [REDACTED]

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Comment: The Secretariat is elected by the Central Committee to handle its routine activities. The chairman of the Central Committee, Mao Tse-tung, serves concurrently as chairman of the Politburo and Secretariat.

The presence of Liu Shao-chi and Chou En-lai on the Secretariat has been confirmed by official party documents. It is probable that Liu and Chou, second and third in the Chinese hierarchy, occupy the second and third places in the Secretariat.

With the exception of Peng Teh-huai, commander of the 1st Field Army, the above list of members is identical with a list obtained by [REDACTED]. It appears to be Peiping's policy not to place any field army commander on either the Politburo or the Secretariat.

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7. Chinese Communists move five armies to East China: At a Taipei briefing for Admiral Radford, the Minister of National Defense pointed out that recent Communist preparations for the invasion of Formosa have included the movement of the 4th, 7th, 67th and 78th Armies to the Shantung peninsula and the 11th Army to Kwangtung. [redacted]

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Comment: If confirmed, this report would represent an increase of 150,000 troops on the East China coast. However, current order of battle information shows that the Communist 78th Army has never been identified and that the 67th Army is located in Korea. Moreover, the other three armies are located in western China.

8. American Minister says French face basic decision in Indochina: The American Minister in Saigon believes that unless the French and the Vietnamese Governments now make a "supreme effort" to execute a substantial reform program in Indochina, the French will have to negotiate with the enemy, broaden Western support, or continue the present stalemate.

Minister-Resident Letourneau, in order to dispel Vietnamese distrust, is now prepared to bring into the government nationalist elements with anti-French records. Furthermore, Paris is willing to permit the French Union to evolve into something more like the British Commonwealth. The American Minister points out, however, that even if all French restraints were removed, no prospective Vietnamese leadership could of itself produce immediate results without constant United States pressure. [redacted]

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Comment: Letourneau has previously expressed opposition to further political concessions to Vietnam so long as military operations are in progress.

9. Letter indicating readiness of Huk leader to defect Philippine Government declared false: A letter allegedly written by the Huk leader, Luis Taruc, indicating his disillusionment with Communism has been declared false by Philippine Defense Secretary Magsaysay. Prior to its publication in a Manila weekly, the letter was shown to Magsaysay who initially believed it might be genuine. The letter may have been originated by a Taruc sympathizer in order to create false peace hopes among the Filipinos. [redacted]

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10. Indonesia preparing to open embassy in Moscow: Indonesian Foreign Minister Mukarto told the Foreign Affairs Section of Parliament that preparations are under way for an exchange of ambassadors between Indonesia and Soviet Russia. In referring to the exchange, government officials have emphasized to American Embassy officers that all privileges, such as size of mission and opportunities for travel, must be "strictly reciprocal." [redacted]

Comment: The present government's decision to exchange diplomats with Soviet Russia is a further indication of its intention to return to a strict interpretation of Indonesia's "independent" foreign policy. The former cabinet opposed having a Soviet embassy in Djakarta.

The proposed insistence upon reciprocal privileges undoubtedly arises chiefly from Indonesia's experience with Communist China, and the latter's refusal to permit the same freedom of movement to the Indonesian Embassy in Peiping as is exercised by the Chinese Embassy in Djakarta.

SOUTH ASIA

11. Soviet broadcast to Central Asia raises subject of Kashmir's independence: A Russian-language broadcast of 10 May from Moscow to Soviet Central Asia discussed the Kashmiri people's efforts to free themselves from foreign domination. It stated that "the liberation movement" in Kashmir has been mounting since the end of World War II. The broadcast described the steps being taken by the United States and Britain "to prevent the Kashmiri people from taking their fate into their own hands."

Soviet delegate Malik's 17 January speech before the UN Security Council was also recalled, and Malik was quoted as saying that only the Constituent Assembly could decide the future status of Kashmir. The broadcast ended with the remark that "the Kashmiri people indignantly resent these imperialist plans and continue the struggle for real independence of their country." [redacted]

Comment: The USSR is apparently continuing a campaign reliably reported last January to be underway in Kashgar and other cities of Sinkiang for the "liberation" of the two Kashmir border provinces of Gilgit and Ladakh. Chinese

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military patrols occasionally penetrate both these provinces, and the head Buddhist lama of Ladakh has several times mentioned conditions under which that province might seek union with Tibet.

NEAR EAST - AFRICA

12. Greek left-of-center paper fills in for Communist press: EPEK newspaper, Allaghi, has followed a consistently pro-Communist line since its appearance in August 1951. Its references to the Soviet Union always have been favorable and its treatment of the Greek Communists and left-wingers has been sympathetic. It has taken every opportunity to present an unfavorable picture of the United States, emphasizing American "imperialist tendencies" and "aggression."

The American Embassy in Athens which made a study of the paper comments that although its bias is expressed indirectly, there is little doubt that it is now filling in admirably for the outlawed Communist press. [REDACTED]

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Comment: Prime Minister Plastiras' EPEK Party claimed Allaghi as its mouthpiece when it was founded. Although there is no evidence of direct Communist control or support of Allaghi, both its owner and director Nicolas Papapolitis and his brother Savvas, the Minister of Commerce, have a history of Communist affiliations. Both are currently described as holding pro-Communist views and the director of Savvas' political bureau is the brother of a guerrilla leader. Allaghi's circulation jumped 100 percent when the Communist front Dimokratiki was suppressed.

13. British troops in maneuvers with the Arab Legion: A battalion group from the British Independent Parachute Brigade in the Suez Canal zone held a two-day training exercise with units of the Arab Legion in Jordan on 12 and 13 May. The object of the exercise, which included parachute drops of troops, weapons and vehicles, was for the parachute group to hold a certain defined area against action by Arab Legion forces.

The Jordan Government agreed to the presence of British troops in accordance with the joint training facilities clause in the annex to the Anglo-Jordan treaty. The American Legation in Amman considers this a step to bolster British prestige in the Middle East. [REDACTED]

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Comment: The British have been paying increasing attention to making the Arab Legion a more effective and useful force. Over the last five years the annual subsidy for the Legion has been tripled to the present 7.5 million pounds. Besides better training and equipment, the program involves a build-up of reserve strength to permit rapid expansion of the Legion in case of need.

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WESTERN EUROPE

14. Figl discusses Austrian peace treaty and Trieste issue with Eden: In a conversation with Foreign Secretary Eden during his goodwill visit to London last week, Austrian Chancellor Figl said that Austria might appeal to the United Nations about a peace treaty. He also told Eden that Austria was particularly anxious for a settlement in Trieste for economic reasons. Figl said that if Austrian shipping could not move through Trieste, it would have to depend more and more on the Rhine River outlet, and this might lead to closer political ties with West Germany.

British spokesmen said that the Foreign Office would continue to discourage any Austrian appeal to the United Nations. The American Embassy was not informed about Eden's comments on Trieste and Figl's conversation with Churchill. [REDACTED]

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15. East Germans exploit Essen Communist demonstration: Involved in the 11 May Communist demonstration in Essen against the Allied-German contractual agreement were "several thousand" members of a Communist youth organization who mingled with a crowd of 30,000 attending a garden show. The demonstrators carried no placards or posters, but shouted their views until 300 reserve police, stationed there because of advance knowledge of the demonstration, tried to disperse them with loud-speakers and clubs.

The Communists thereupon attacked the police with bottles, stones, and pistol shots. The police then fired, first over, then later into the demonstrators, killing one boy and injuring three others. [REDACTED]

Comment: American press reports stated that 30,000 Communists had rioted in Essen. The use of pistols is something new in Communist tactics in West Germany.

East German Deputy Premier Ulbricht used the incident in his 12 May speech hinting at action against West Berlin, when he declared that "the inhuman attack by the police of Interior Minister Lehr" showed how the German people would fare if Chancellor Adenauer succeeded in putting the "General War Agreement" into effect.

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16. Netherlands insists on right to withdraw from Defense Community: Dutch Foreign Minister Stikker states that the Netherlands should have some assurance that it could withdraw from the Defense Community should a West European federation not be achieved within 17 years and should NATO be dissolved. Stikker adds that Belgium, Luxembourg, and possibly Italy will join the Netherlands if it insists on this reservation.

Stikker is concerned that the German financial contribution will not be sufficient to permit the British to keep their forces in Germany. The Netherlands is not disturbed at the possibility of helping to underwrite the German military build-up. Stikker adds that the Canadian Foreign Minister seems to favor a proposal for Canada to give economic aid to Britain to make up its possible loss from reduced support costs. [REDACTED]

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Comment: The Netherlands views the presence of British troops in Germany as emphasis of British intentions to remain closely associated with Western European defense. The Dutch fear that the British for economic reasons might withdraw their troops as the German units come into being, thus preventing a net increase in Allied troop strength on the Continent.

17. British aircraft production delayed by lag in American machine tool deliveries: The British government has formally advised the Mutual Security Agency that production of the latest type jet fighters and light bombers may be delayed 9 to 12 more months because American machine tools are not being delivered on schedule. The US Military Assistance Advisory Group (MAAG) in London, justifying the need for these tools, lists seven specific orders placed between December 1950 and March 1951 which are needed especially to speed up production.

This additional postponement is viewed as most serious by MAAG because production and financial difficulties have already caused a reduction of thirteen squadrons in RAF 1954 planning goals for commitment to NATO. [REDACTED]

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Comment: According to the study of British aircraft production capabilities made by MAAG for NATO last fall, shortage of machine tools was not considered a likely bottleneck if current orders were delivered on schedule. The new lag in delivery has now made this the most critical factor instead of labor shortage.

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LATIN AMERICA

18. Mexico's leftist opposition coalition collapses: The US Embassy in Mexico considers that the proposed tripartite coalition of opposition parties is now a dead issue. Vicente Lombardo Toledano has refused to withdraw his presidential candidacy in favor of Miguel Henriquez Guzman, though Candido Aguilar will probably support the latter. The failure of the three parties to put forward a single candidate is viewed as a victory for the administration candidate, Adolfo Ruiz Cortines.
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Comment: A highly publicized pact between Lombardo's Partido Popular, Henriquez' Federacion de Partidos del Pueblo Mexicano, and Candido Aguilar's small, unregistered Partido de la Revolucion was signed on 2 April. No agreement was made on a single presidential candidate, and, although a joint political platform was announced on 8 May, the plan to cooperate in electing congressional candidates appears to have fallen through.

Although Lombardo's refusal to withdraw in favor of Henriquez is given as a reason for the coalition breakdown, Henriquez might have regarded his official support as a liability in view of increasing anti-Communist propaganda.

19. Peru protests proposed United States tariff on tuna: Approval by the US Senate Finance Committee of a three-cents-per-pound import duty on tuna has brought strong protest from Peru. The Foreign Minister, in a note which the US Ambassador termed the bitterest received during his three years in Lima, called the proposed tax "economic aggression" and accused the United States of trying to destroy Peru's important fishing industry which, he said, was built to meet United States needs during World War II.
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Comment: For several months Peru, as well as five other Latin American countries, voiced objections to this tax, already approved by the House of Representatives. The Peruvian Congress even threatened to retaliate with a bill extending territorial waters 200 miles from shore. In recent weeks optimistic reports from Washington temporarily quieted Peruvian protests, but the US Embassy in Lima predicted intense reaction should the tax meet with further approval.

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20. Venezuela threatens trade agreement termination over US oil tariff offer: Manuel Reyna, Venezuelan Director of Political Economy, has told a member of the United States trade agreement team that the US offer on the petroleum tariff is unacceptable. In a formal interview, he said that Venezuela would definitely terminate the present trade agreement if the current negotiations prove unsuccessful. [REDACTED]

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Comment: Reyna has been generally optimistic and cooperative throughout the negotiations, which entered the formal stage on 18 April, and has apparently sought to mediate between Foreign Minister Gomez Ruiz' more adamant attitude and the US position.

Venezuela considers the present oil tariff offer less favorable than the terms Mexico formerly enjoyed and has resisted United States attempts to make the current offer appear advantageous.

21. Military personnel reportedly implicated in new Venezuelan plot: Widely varying reports from Caracas state that between 16 and 60 officers of the armed forces have been arrested for plotting against the government. Only two have been definitely identified -- Lt. Col. Antonio de Rosa, Military Attache to Mexico who had returned to Caracas on leave, and Col. Jose Leon Rangel, Chief of Services, who is under house arrest, apparently "on suspicion." Major Risquez, leader of the recent expedition to the headwaters of the Orinoco, is also reportedly involved. There were no public disturbances either before or after the arrests.

Apparently the government has not announced the detentions, and it is not known whether the officers were supposedly plotting with elements of the outlawed Democratic Action (AD) Party or were suspected of planning a palace coup. Although there has been a certain amount of intra-army friction, neither a major split nor any significant infiltration by AD has been reported.

Both Rangel and Rosa are known to have been critical of the government. Rosa has reportedly been suspected of AD leanings, but Rangel has had no known political affiliation nor any personal following.

US Ambassador Warren comments that the growing number of reported arrests leads him to give increased importance to the plot. [REDACTED]

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TO THE CURRENT INTELLIGENCE DIGEST

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CENTRAL INTELLIGENCE AGENCY

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EASTERN EUROPE

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Czech President Gottwald not expected to recover: A [redacted] has informed [redacted] that President Klement Gottwald contracted a severe case of pneumonia after he returned from East Germany in March and that his recovery is improbable. His health has been seriously weakened by sulfa treatments and a chronic liver condition. The source stated that drugs were used to enable Gottwald to attend the Prague Liberation Day ceremonies on 9 May. [redacted]

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Comment: President Gottwald has not participated actively in government affairs since before the first of the year. At the military parade on 9 May he appeared weak and aged and took no active part in the ceremony.

Gottwald's continued incapacity has already lessened the ability of the government to push its industrial program. His death or retirement would probably have no further weakening effect on the government, nor mean a change in its present policies.

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